



Southeastern Connecticut Water Authority

Water For Your Future

To: Connecticut General Assembly Planning And Development Committee
From: James D. Fogarty, SCWA Chairman
Re: Raised Bill # 5457 An Act Concerning the Southeastern Connecticut Council of Governments and the Southeastern Connecticut Water Authority

Date: March 16, 2012

Summary

Southeastern Connecticut Water Authority is strongly opposed to Raised Bill # 5457.

Background

In 1967, the Connecticut General Assembly, via Special Act 381 (Act 381), created the Southeastern Connecticut Water Authority (SCWA) and established it as a political subdivision of the State of Connecticut. Act 381 provides SCWA with broad regional water supply responsibilities and capabilities, within a twenty (20) municipality district. These responsibilities include the following two general functions:

- **Regional Water Supply Planning**

To assist with planning, and providing for the public water supply of southeastern Connecticut, SCWA initiated a Regional Water Supply Plan (RWS Plan) in 1969/1970. This Plan was jointly prepared by SCWA and the Southeastern Connecticut Regional Planning Agency (SCRPA). SCRPA was the forerunner of the Southeastern Connecticut Council of Governments (SCCOG). SCWA's second RWS Plan was produced in 2003. In 2008-2009 SCWA and SCCOG worked together on a planning committee and submitted a joint legislative proposal to determine the potential yields of two regional aquifers. From 2008 to the present, SCWA has worked to "save" Miller Pond in Waterford as a potential future reservoir with a potential yield of 1.5 million gallons per day. This involved working with the owners, the Army Corps of Engineers concerning an excavation permit, the Connecticut Department of Public Health (which supported the concept), the Department of Energy and Environmental Protection, and the U. S. Department of Agriculture in 2010-11 to produce a watershed protection plan. In 2010 SCCOG decided to begin planning, unilaterally, for water supplies and distribution systems in the region. In 2011, SCWA determined to conduct a formal review of the 2003 RWS Plan, with a focus on its technical findings, (e.g. supply/demand projections). SCWA invited SCCOG to participate in this work. SCCOG declined to participate, and also formally requested that SCWA not engage in this important planning activity! SCWA has completed this review and approved the text of the review document. The final document will be completed this month and submitted to the Connecticut Water Planning Council.

Raised Bill # 5457 is the manifestation of SCCOG's desire to become, what it describes as, a "multi-service regional authority" overseeing water, sewer, solid waste and transit, as stated in its 2007 Regional Plan of Conservation and Development. SCWA is opposed to being absorbed by SCCOG, but remains hopeful that SCCOG will accept SCWA's invitation to collaborate on regional water planning activities.

- **Public Water Supply Systems Operation**

Over the past four decades, SCWA has occasionally been asked by a town, public health agent/agency, developer or homeowner's association to assume the operation of a public water supply system. A few of these were providing marginal service or had been abandoned by the previous operator. SCWA addressed each request for assistance and applied its technical, managerial and financial abilities to the benefit of those served.

Presently, SCWA operates fifteen (15) water systems, all of which are providing quality service to their customers. SCWA has 2700 customers, which equates to serving approximately 10,000 people in SE Connecticut.

What Is Proposed?

Raised Bill # 5457, if enacted, would fundamentally alter the organization and governing structure of SCWA, as follows:

- Eliminate SCWA's Representative Advisory Board appointed by the city/town council or board of selectmen for each municipality, and replace it with the currently elected SCCOG members.
- SCCOG will reduce the service term of SCWA's seated governing body, known as the Authority, and appoint new members.
- Require SCCOG approval of SCWA's chief executive officer selection.
- Give SCCOG the right and responsibility to approve the following SCWA activities:
 - Issuing bonds
 - Establishing water rates
 - Collecting revenues
 - Entering into agreements with municipalities, water utilities, etc.
 - Accepting grants, loans, grants or contributions from any public or private entity
 - And, all things necessary or convenient to carry out the powers provided by Act 381 or Connecticut general statutes

This proposed complete and total control, by SCCOG, of SCWA is an expansion of SCCOG's 2002 legislative proposal regarding SCWA's governance. The legislature wisely chose not to enact SCCOG's 2002 proposal, and will hopefully deny SCCOG's present request for even broader, more sweeping powers over SCWA.



What Is At Risk?

SCWA's many, varied stakeholders have been well-served by the existing governance structure. The proposed extreme upheaval of SCWA's governance structure is neither warranted nor desirable. In fact, SCWA believes that enacting Raised Bill # 5457 could present great danger to several stakeholders, especially the following:

- SCWA Customers
SCWA provides dependable, high quality water service to approximately 10,000 people. Raised Bill # 5457 offers nothing but risk to these residents.
- The State of Connecticut - \$1,300,000
SCWA's entire outstanding debt of \$1,300,000 is in the form of bonds. These bonds are guaranteed by the State of Connecticut. In the event that SCWA became unable to meet this obligation, the State of Connecticut is obligated to pay the holders of the bonds. In addition to this payment guarantee, the Connecticut has pledged to SCWA's bond holders that it would not limit or alter the rights vested in SCWA to conduct various activities, including establishing and collecting rates, fees and charges. Clearly, Raised Bill # 5457 is in direct conflict of this pledge. This assertion is supported by the attached memorandum from SCWA's bond counsel, Attorney Michael P. Botelho of Updike, Kelly & Spellacy. Also attached is another memorandum from Attorney Botelho, which addresses broad, far-reaching concerns generated by this proposed legislative action.

Conclusion

It is requested that the General Assembly not enact/support Raised Bill # 5457 as currently proposed. There is no need for it and its passage would very likely have unintended negative consequences. A return to collaborative water planning activities by SCCOG and SCWA would better serve the region and Connecticut. Last week, we believed that SCCOG and SCWA had reached a means of working jointly on water supply and distribution issues in our region. On March 7, 2012, a meeting of four SCWA board members with six SCCOG board members resulted in what was thought to be the mutually agreed upon substitute language for Raised Bill # 5457. On March 13, 2012 we learned that the SCCOG Executive Committee decided not to advance this substitute language, and to request the General Assembly to withdraw Raised Bill # 5457. Attached is the proposed substitute language which SCWA believes, if enacted, would provide an organizational/statutory structure conducive to SCWA and SCCOG working cooperatively to advance regional water supply matters.



MEMORANDUM

TO: James D. Fogarty
Chairman, Southeastern Connecticut Water Authority

FROM: Michael P. Botelho
Updike, Kelly & Spellacy, P.C.

RE: Proposed Amendments to Special Act 381/
Potential Impact on State's Guarantee

DATE: February 7, 2012

You have asked me, as bond counsel to the Southeastern Connecticut Water Authority ("SCWA"), to examine the potential impact of the legislative proposal by the Southeastern Connecticut Council of Governments ("COG") with respect to SCWA's bond obligations and the state's guarantee of same.

As you know, section 31 of SCWA's enabling legislation (Special Act No. 381) (the "Act") provides that the state bond commission may insure or guarantee in the name of the state any sums borrowed by SCWA for the purpose of providing working capital and organizational funds for SCWA. Presently, all payment obligations with respect to SCWA's \$1,300,000 in outstanding bonds are guaranteed by the state pursuant to such section. In the event the state becomes liable as a result of any default with respect to sums borrowed by SCWA, necessary payment is to be made by the state treasurer.

Section 19 of the Act further provides that the state of Connecticut agrees with and pledges to the holders of bonds or notes of SCWA not to limit or alter the rights vested in SCWA "to require, construct, maintain, operate, reconstruct and improve the properties, to establish and collect the revenues, rates, rentals, fees and other charges" and to fulfill the terms of any agreements made with the holders of the bonds or notes, or in any way impair the rights and remedies of the bondholders or noteholders until all obligations of SCWA to such holders are fully satisfied.

This proposed legislation, if enacted, would fundamentally change the organization and governing structure of SCWA. It creates a governing structure more susceptible to turnover and political partisanship. Such legislation replaces an appointing body (the advisory board) having a fairly constant and experienced membership with an appointing body (the COG) whose membership is always subject to turnover. It eliminates any requirement that either the appointing body or the Authority have virtually equal representation from both political parties. The proposal also requires the immediate dismissal and replacement of SCWA's current board membership and grants COG approval authority over SCWA's chief executive officer (general manager).

Furthermore, the proposed legislation directly impacts certain rights vested in SCWA, including, without limitation, the power to fix rates and collect service charges to generate revenues sufficient to pay debt service on the bonds or notes of SCWA and SCWA's operating expenses, by making such rights expressly subject to the approval of the COG. There is little doubt that the COG proposal undermines the independence of the SCWA board and directly alters the rights afforded to the board under the Act. The COG approval rights mandated by this proposal could hinder and delay SCWA's ability to set rates and collect charges necessary for it to pay its debt to the detriment of its bondholders.

All of the above factors may negatively impact and disrupt the ability of SCWA to conduct its business operations and therefore pay its bondholders. There is also a serious issue as to whether the changes contemplated by the proposed bill might be in violation of section 19 of the Act. Therefore, I would recommend that the legislature proceed cautiously in considering an alteration of SCWA's governance structure in such a material way.

MEMORANDUM

TO: James D. Fogarty
Chairman, Southeastern Connecticut Water Authority

FROM: Michael P. Botelho
Updike, Kelly & Spellacy, P.C.

RE: Proposed Amendments to Special Act 381/
General Comments

DATE: February 7, 2012

This memo sets forth certain arguments that the Southeastern Connecticut Water Authority ("SCWA") may wish to articulate in opposition to the adoption of amendments to Special Act 381, SCWA's governing legislation, (the "Act") proposed by the Southeastern Connecticut Council of Governments ("COG"). I have also delivered a separate memo addressing the possible impact of such a proposal on the state's guaranty of SCWA debt.

1. No Expertise/Experience

The proposed legislation eliminates the existing advisory board and replaces it with the COG. The proposed legislation also calls for the replacement of the seated "Authority" and COG approval of the SCWA's chief executive officer (general manager). Finally, this proposal grants the COG the right to approve certain material functions exercisable by SCWA under Section 14 of the Act, including the right to borrow money, the right to fix rates and collect charges to pay for debt and costs of operation, and such other rights of SCWA. The COG does not have the expertise or the experience necessary to oversee the functions of SCWA. This is not a role generally to be undertaken by a council of governments. The COG was created to serve as a planning agency; to coordinate planning among member municipalities; to prepare regional reports and studies; to work with municipalities and regional authorities. A council of governments was not meant to have extensive oversight responsibilities as contemplated by this proposed legislation.

2. Politicization of SCWA

The proposed legislation endorses a governance structure which is fraught with political deficiencies. SCWA's existing charter requires that the advisory board be made up of municipal appointees having equal representation from each political party. The replacement of the advisory board by the COG will eliminate this requirement. Also, this proposal eliminates the requirement that no more than four members of the Authority may be from one political party. Both of these factors will make the body less bipartisan and more susceptible to political infighting.

3. Turnover and Lack of Continuity

The membership of the COG, as the appointing body, would change constantly depending upon the political fortunes of the chief elected officials. This would cause endless turnover and could seriously disrupt the governance and operations of SCWA as well as the needs of SCWA's consumers. This legislative proposal also contemplates the immediate replacement of SCWA members which will seriously disrupt the operations of authority. In the end, the consumers of SCWA will suffer.

4. Potential Underrepresentation of Non-COG Municipalities

If a municipality were to leave the COG, as it is permitted to do, it would lose representation on the advisory board. In such a case, the replacement of all advisory board members by COG members would unduly harm the rights of non-COG municipalities within SCWA's jurisdiction. SCWA should represent all municipalities within the Southeastern Connecticut planning region and not just those municipalities who make up the COG.

5. New Legislation is Unnecessary

Municipalities can exercise control over the workings of Authority under the existing governance structure and SCWA charter. New legislation is not necessary. Through more involvement at the advisory board level, municipalities in the region can accomplish their objectives. There is also no support or evidence that this proposed legislation will in fact create greater cooperation among municipalities, enhance the prospects for regionalism or accomplish the COG's stated objectives.

6. Public Policy Objections

Apart from the foregoing, there are serious public policy issues associated with this proposal. Because these issues are not necessarily a direct concern to SCWA, I am not sure if they need to be presented as part of any public statement or testimony in opposition to such proposal. However, I thought because of their global importance, they are worth mentioning. They are as follows:

This proposed legislation sets a very dangerous legislative precedent by affording the COG powers never contemplated or envisioned by the Council of Governments enabling legislation. It represents a fundamental shift and divergence from the role of COGs in the state of Connecticut. The legislature should understand the consequences of its action in this case and its impact on the general powers of COGs throughout the state. What will prevent other COGs from exercising responsibilities and powers never intended for them?

General Assembly

Raised Bill No. 5457

February Session, 2012

LCO No. 2031

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Referred to Committee on Planning and Development

Introduced by:

(PD)

***AN ACT CONCERNING THE SOUTHEASTERN COUNCIL OF
GOVERNMENTS AND THE SOUTHEASTERN CONNECTICUT WATER
AUTHORITY.***

Be it enacted by the Senate and House of Representatives in General Assembly
convened:

ACT 381 (1967)

**AN ACT ESTABLISHING A SOUTHEASTERN
CONNECTICUT WATER AUTHORITY**

Proposed Amendments-Only Affected Sections Are Shown

SECTION 4. (a) The representative advisory board to the Southeastern Connecticut Water Authority shall consist of two electors from each town within the district who shall be appointed by the board of selectmen or town council, as the case may be, on September 1, 1969, and whose successors shall be so appointed on or before September first biennially thereafter. One of such members of the advisory board from each town shall be appointed by the members of the board of selectmen or town council, as the case may be, of the political party having the greatest representation on such board, or council and the other member of said advisory board shall be appointed by the members of the board of selectmen or town council of the political party having the next greatest representation. Nothing in this subsection shall be construed to prohibit any member of the Southeastern Connecticut Regional Council of Governments from serving

as a member of the representative advisory board. Members shall serve for a term of two years and until their successors are appointed and have qualified and shall serve without compensation. They shall elect a chairman, a vice-chairman and a secretary and establish such bylaws as they deem necessary. Members of the advisory board shall not vote on any matter before the advisory board other than in person.

(b) The advisory board shall meet at least quarterly with the authority to review the progress and financial condition of the authority, and may, as it deems necessary, call special meetings with the authority to review such progress and financial condition and to discuss issues relating to water supply and the operations of the authority. The advisory board shall establish procedures and policies, jointly with the authority, to govern the basis on which the authority shall coordinate its activities to cooperatively develop the water supply and distribution system necessary for an integrated regional water supply system. The advisory board shall select the certified public accountant to conduct the annual audit of the accounts, books and records of the authority.

(c) There shall be established a ~~technical advisory board to the Southeastern Connecticut Water Authority and the representative advisory board~~Southeastern Connecticut Council of said authority Governments joint regional water committee, to be known as the Southeastern Connecticut Regional Water Committee. This committee shall consist of seven members, with three members directly appointed by the Southeastern Connecticut Water Authority, three members directly appointed by the Southeastern Connecticut Council of Governments and the seventh member jointly appointed by Southeastern Connecticut Water Authority and the Southeastern Connecticut Council of Governments. The Southeastern Connecticut Regional Water Committee shall establish a technical advisory group. Said technical advisory board~~group~~ shall advise and assist the authority and ~~representative board~~ Southeastern Connecticut Regional Water Committee in arriving at technical consensus on future regional water requirements, assist in the establishment and implementation of long-range programs, and provide technical advice in the consideration of major technical

projects, the acquisition of utilities, utility operation, rate exchanges and in other appropriate matters.

~~Each town in the~~ The technical advisory group shall consist of a minimum of five members and a maximum of nine members selected by the Southeastern Connecticut Regional Water Authority Committee ; and be comprised of individuals qualified in: water and/or waste water; utility municipal or such other board regional planning; or environmental protection or planning. In selecting the membership of the technical advisory group, the Southeastern Connecticut Regional Water Committee shall give priority to representation from the region's major water utilities. The members of the technical advisory group commission having functions directly relating to water supply may appoint one member. This member shall serve at the pleasure of the appointing municipality. Such members shall elect a chairman who shall serve for a term of one year. board members may attend any and all meetings of the Southeastern Connecticut Water Authority, the representative advisory board or committees thereof. The technical advisory group ~~Such members shall offer such advice as may be requested or as they shall deem appropriate. They shall, in liaison with the representative advisory board members of their respective communities, report to their municipalities any matters affecting those municipalities. Technical advisory board members shall be representatives of their respective communities and shall be governed by instructions of their municipalities. Technical advisory board~~ Technical advisory group members shall serve in an advisory capacity and have no vote as to the decisions of the Southeastern Connecticut Water Authority ~~or and the the representative advisory board. Southeastern Connecticut Council of Governments.~~

SECTION 5. A corporation known as the "Southeastern Connecticut Water Authority" is created for the purposes, charged with the duties and granted the powers provided in this act. The authority shall be a body corporated and politic. The authority shall consist of seven members who shall not be members of the advisory board, all of whom shall be residents of the district. Five members shall be appointed directly by a majority of those members of the representative advisory board present and voting. The

remaining two members shall be directly appointed by the ~~representative advisory board,~~ subject to the conditions described in this section, from a slate of no fewer than three nominees provided by the Southeastern Connecticut Regional Council of Governments.

The term of appointment shall be five years and until their successors are appointed except that of the five members first appointed one shall be appointed for a term of five years, one for a term of four years, one for a term of three years, one for a term of two years and one for the term of one year and the two members selected from nominees provided by the Southeastern Connecticut Regional Council of Governments shall be appointed for terms of four years and three years, respectively. Not more than four members of the authority shall be members of the same political party. Vacancies of any of the five appointments on the authority made by the representative advisory board shall be filled by appointments by the advisory board for the unexpired terms, ~~including the replacement of members nominated~~ Vacancies of any of the two appointments made by the Southeastern Connecticut Regional Council of Governments by selecting and appointing new members from a slate of nominees provided shall be filled by the Southeastern Connecticut Regional Council of Governments for the unexpired terms. Members of the authority may be removed from office by the advisory board respective appointing authority for cause. Members of the authority shall receive such compensation for their services as shall be fixed by the advisory board and shall be reimbursed for their necessary expenses incurred in the performance of their duties. Nothing in this section shall be construed to prohibit any member of the Southeastern Connecticut Regional Council of Governments from serving as a member of the authority.

SECTION 13. When a city, town, borough, corporation, company, association or person intends to develop for water supply purposes within the district a potential surface reservoir site with an estimated dependable yield of more than five hundred thousand gallons per day, or one or more potential wells having estimated combined yields of more than fifty gallons per minute, except for wells which are within one thousand feet of an existing water main belonging to such city, town, borough, corporation, company, association or person, it shall first declare such intention to the authority and shall

indicate its anticipated water requirements. Within three months of being so notified, the authority, in concurrence with the Southeastern Connecticut Regional Water Committee, shall determine whether or not such water supply development would affect the regional water supply plan of the authority. If in the authority's judgment such plan will not be affected, the authority shall release such potential water supply site for development by such city, town, borough, corporation, company, association or person; otherwise the authority shall promptly select an engineer satisfactory to such city, town, borough, corporation, company, association or person to design and supervise construction of facilities to satisfy water requirements, construction of which shall be commenced by the authority upon approval of plans by such city, town, borough, corporation, company, or person. Failure of the authority to act within the prescribed time limit shall constitute approval for development of the site or well field by the city, town, borough, corporation, company, association or person concerned. Provisions of this section shall not apply to development of a water supply for a single dwelling for water requirements of less than fifty gallons per minute.

(Special Act No. 73-133 added the following clarification)

For the purpose of section 13 and number 381 of the special acts of 1967, as amended by section 2 of number 206 of the special acts of 1969, the intention to develop one or more wells having estimated yields of fifty gallons per minute shall be presumed if the city, town, borough, corporation, company, association or person (1) commences the development of a well water supply on the basis of studies which indicate a maximum requirement in excess of fifty gallons per minute; or (2) commences construction of two or more dwelling units consisting of, but not limited to, single family or duplex homes, apartments, condominiums or cooperatives, to be served by a single water supply, pursuant to a plan of lots which, together with any adjacent tracts owned or controlled by the same person or persons, contains fifty acres or more. The cost of development of such a well shall be allocated between Southeastern Connecticut Water Authority and such city, town, borough, corporation, company, association or person in accordance with such regulations as said authority shall adopt.

SECTION 18. (a) The authority, subject to any limitation on the amount of revenues available to be expended for such purposes, and subject to engineering and financial feasibility studies, shall plan, operate and maintain a water supply system and, where necessary, construct water supply systems for the Southeastern Connecticut Planning Region. In no event is this act to be construed as requiring the authority to construct a water supply system in any area where expected revenues would not meet the expected expenditure for construction and operation of such a water supply system; provided, on the written request of the city council of the city of Groton, for the provision of water, said authority shall immediately proceed to establish a source of water supply for said city which will provide not less than four million gallons of water per day and shall connect such source to the water supply system of said city, the cost of such establishment and connection to be borne by said authority. (b) Notwithstanding any provision of subsection (a) of this section or any other provision of any special act or general statute, the authority shall, not later than July 1, 2003, may either (1) amend or revise such authority's last water supply plan for the Southeastern Connecticut Planning Region, or (2) adopt a new water supply plan for the Southeastern Connecticut Planning Region. The cost of such amendment, revision or adoption shall not exceed one hundred fifty thousand dollars. In the amendment, revision or adoption of any such plan pursuant to this subsection, the authority shall conduct, in concurrence with the Southeastern Connecticut Regional Water Supply Committee, an analysis of the potential to more fully interconnect and integrate the Southeastern Connecticut Planning Region water supply system. The authority shall submit for review any amendments, revisions or plan developed pursuant to this subsection to the water planning council established pursuant to public act 01-177, as amended by this act.

SECTION 25. Except as otherwise provided in this act, all contracts or orders for work, materials, or supplies performed or furnished in connection with construction shall be awarded by the authority as it may determine. Such contracts or orders of work, material or supplies needed for any particular purpose involving an expenditure of more than two thousand dollars shall be awarded only after inviting sealed bids or proposals.

When reasonably possible, competitive written quotes shall be obtained from three or more vendors of the materials, equipment and/or service required for all purchases of materials, equipment and service contracts in amounts between \$5,000 and \$10,000. The authority's designee shall choose successful vendors from competitive quotes. Written competitive quotes shall not be required for items under \$5,000. Written competitive bidding shall be required for all purchases of materials, equipment and service contracts exceeding \$10,000.

Bids are not required on the following items however, such purchases exceeding \$10,000 shall be approved by the Authority:

- 1.Purchases where only one supplier exists.
- 2.Professional services (e.g. legal, accounting, actuarial, medical.
- 3.Emergency repairs.
- 4.Purchases made under State of Connecticut contracts.
- 5.Purchases made under other consortium contracts.

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The notice inviting sealed bids or proposals shall be published at least once in a newspaper or trade paper selected by the authority for such purpose, such publication to be at least ten days before the receipt of bids. If the authority shall not deem it for the interest of the authority to reject all bids, it shall award the contract to the lowest bidder, unless the authority shall determine that it is for the public interest that a bid other than the lowest bid shall be accepted. In any contract for work, material or supplies there shall be inserted at the discretion of the authority a provision that additional work may be done or material or supplies furnished for the purpose of completing such contract at any expense not exceeding fifteen per cent of the amount of such contract if such additional work, materials or supplies shall be ordered by the authority. The bidder whose bid is accepted shall give security for the faithful performance of the contract and such other security for such other purposes as the authority may require and may be required to maintain for such period as shall be stipulated any construction done under the contract, all in the manner prescribed and

required by the authority; and the sufficiency of such security shall, in addition to the justification and acknowledgment, be approved by the authority. All bids or proposals shall be publicly opened by the authority or its duly authorized agent. If the bidder whose bid has been accepted after advertising neglects or refuses to accept the contract within the period of time established in the advertisement for bids after written notice that the same has been awarded to him on his bid or proposal, or if he accepts but does not execute the contract and give proper security, the authority may declare his deposit forfeited and it shall be readvertised and relet as above provided. In case any work shall be abandoned by any contractor, the authority may, if the best interests of the authority be served, compel the surety to carry out the terms of the contract for which it has given security or the authority may adopt on behalf of the authority any or all subcontracts made by such contractor for such work and all such subcontractors shall be bound by such adoption if made, and the authority shall, in the manner provided herein, readvertise and relet the work specified in the original contract exclusive of so much thereof as shall be provided for in the subcontract or subcontractors so adopted. No bid shall be accepted from or contracts awarded to any person or any corporation who is in arrears to the authority upon any debt or contract, or is a defaulter as surety or otherwise upon any obligation of the authority. Every contract involving an expenditure of more than five hundred dollars when entered into as herein provided for shall be executed in duplicate, one copy of which shall be held by the authority and one copy of which shall be delivered to the contractor.

SECTION 27. (a) The authority shall have an annual audit of its accounts, books and records by a certified public accountant selected by the representative advisory board. A copy of the audit shall be delivered to the municipalities within the district, the Southeastern Connecticut Council of Governments and to the public utilities commission. A concise financial statement shall be published annually, at least once, in a newspaper of general circulation in the municipality where the principle office of the authority is located. If such publication is not made by the authority, the representative advisory

board shall publish such statement at the expense of the authority. If the authority fails to make such an audit, the auditor or accountant designated by the representative advisory board shall examine, at the expense of the authority, the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its finances, operation and affairs. (b) The attorney general shall have the right to examine the books, accounts and records of the authority.

SECTION 30. If the authority desires to sell any of its real assets, it shall first allow the state of Connecticut the right to purchase the same at the price and on the terms offered therefor by a bona fide purchaser for value. If the state does not exercise this right of first refusal, such real assets shall be offered to the municipality wherein the same are located at the same price and terms; and the Southeastern Connecticut Council of Governments will be advised, by the authority, of this offer. If both the state and such municipality do not exercise this right of refusal, the authority shall be free to offer the same to a bona fide purchaser for value.

ORIGINAL LEGISLATION

SPECIAL ACT 381 (1967) – Effective July 6, 1967

AMENDMENTS

SPECIAL ACT 206 (1969) – Approved June 30, 1969

SPECIAL ACT 73-64, Approved May 20, 1973

SPECIAL ACT 73-133, Approved June 11, 1973

SPECIAL ACT 73-95, Approved June 11, 1973

SPECIAL ACT 74-15

SPECIAL ACT 76-54, Approved May 25, 1976

SPECIAL ACT 81-38, Approved June 2, 1981

PUBLIC ACT 83-524

SPECIAL ACT 90-28, Approved July 1, 1990

PUBLIC ACT 02-76

PUBLIC ACT 03-7

SPECIAL ACT 04-2 Effective July 1, 2004